

MISSOURI DATA BOOK

MISSOURI



NORTH AMERICA'S BUSINESS CENTER

www.missouridevelopment.org

CONTENTS

Missouri Overview.....	1
Missouri Quick Facts	2
Benchmark Data.....	3
Population	4
Climate and Terrain.....	5
Economy	6
Business Climate.....	7
Exports	10
Business Costs	11
Taxes	13
Infrastructure.....	17
Workforce	19
Workforce Education	26
Legal Formation.....	28
Contact Information.....	32





A strong, stable and diverse economy is an important reason why businesses find success in Missouri. Companies of all sizes thrive in the Show-Me State.

When you're considering a new site for your business, location can mean everything. Affordable, efficient access to necessary resource materials, points of distribution and other key market areas is essential to your business. That's why, with its central location, Missouri should be at the top of your list!

Our economy is specialized in communications, transportation, non-durable manufacturing, wholesale trade, health services, construction and durable manufacturing.

Special emphasis is placed on developing high-tech industries, such as the biosciences, IT and advanced manufacturing. Leading Missouri's emphasis on the life sciences are the Donald Danforth Plant Science Center in St. Louis and the Stowers Institute for Medical Research in Kansas City. Leading companies in the biosciences in Missouri include Bayer Animal Health in Kansas City, Boehringer Ingelheim Vetmedica in St. Joseph and Monsanto Company in St. Louis. Other leading companies include Cerner Corporation, Emerson Electric and Anheuser-Busch.

Missouri boasts some leading educational institutions, including Washington University and the University of Missouri with its four campuses. Much of the state's success can be attributed to the unparalleled collaboration among the state's companies and universities.

Missouri is home to many Fortune 500 companies and the corporate headquarters for several others, including industry giants such as:

- Anheuser-Busch
- Aquila
- Charter Communications
- Hallmark
- H&R Block
- Leggett & Platt
- Emerson Electric
- Farmland Industries
- Monsanto
- May Department Stores
- Graybar Electric
- Express Scripts

Missouri is also a strategic production, service and distribution location for other large companies like:

- Unilever
- General Motors
- The Boeing Company
- Tyson Foods
- Wal-Mart
- Kohl's
- Procter & Gamble
- Ford Motor Company
- Daimler-Chrysler
- Allied Signal
- 3M
- Dollar General
- Jack Henry & Associates

A strong, stable and diverse economy is an important reason why businesses find success in Missouri. Companies of all sizes thrive in the Show-Me State.

MISSOURI QUICK FACTS

People	Missouri	US Avg.
Population, 2004 estimate	5,754,618	
Population, percent change 1 Apr 2000 to 1 July 2004	2.8%	3.3%
Population, 2000	5,595,211	
Population, percent change, 1990 to 2000	9.3%	13.1%
Persons under 20 years old, percent, 2003 estimate	27.6%	
Persons 20-64 years old, percent, 2003 estimate	58.5%	
Persons 65 years old and over, percent, 2003 estimate	13.3%	
Female persons, percent, 2003 estimate	51.2%	

White persons, percent, 2003 estimate	84.5%	79.5%
Black or African American persons, percent 2003 estimate	11.6%	12.8%
Persons of Hispanic or Latino origin, percent, 2003 estimate	2.3%	13.7%

Living in same house in 1995 and 2000, percent age 5+, 2000	53.6%	54.1%
Language other than English spoken at home, pct age 5+, 2000	5.1%	17.9%
High School graduates, percent of persons age 25+, 2003	88.3%	84.6%
Bachelor's degree or higher, pct of persons age 25+, 2003	26.6%	27.2%
Mean travel time to work (minutes), workers age 16+, 2000	23.8	25.5

Households, 2000	2,194,594	
Persons per household, 2000	2.48	2.59
Median household income, 2003	\$43,492	\$41,994
Per capita personal income, 2003	\$29,094	
Persons below poverty, percent, 2002	9.8%	11.9%

Business Climate

General Obligation Bond Rating -Standard/Poor's (2002)	AAA	
Cost of Living (ACCRA)	91.4	100.0
Gross State Product, 2002	\$187.5 billion	
Private nonfarm establishments with employees (2003)	131,464	
Private nonfarm employment, 2003	2,676,000	
Foreign Direct Investment, 2001	\$15.1 billion	
Federal R&D Funding, 2001	\$909.4 million	
Venture Capital Investments (2003)	\$122.2 million	
Avg. Industrial Electric Cost/KiloWatt Hour (2003)	\$.043	
Avg. Industrial Natural Gas Cost/1000cft (2003)	\$8.00	

Geography

Land area (square miles)	68,886	
Persons per square mile, 2003	82.2	79.6

BENCHMARK DATA

As Missouri continues its focus on developing and expanding innovation and entrepreneurship within the state, we are monitoring some key measures, among them:

Benchmark	Missouri	U.S. Avg.
Percent of math teachers with major/minor in assigned field, grand 9-12	67.2%	69.5%
Average SAT scores - verbal	574	504
Average SAT scores - math	580	516
Average composite scores on ACT	21.5	20.8
Bachelor's degrees granted as percent of 18-24 population	5.6	4.55
Percentage of population 25+ with high-school diploma or higher	88.3%	84.6%
Average weighted scores for 11th graders on Advanced Placement exams in math and science	3.42	3.16
Percentage of ZIP codes with broadband providers	81%	88%
Technology-intensive employment as a percentage of total employment	8.3%	8.9%
Technology-intensive establishments as a percentage of total establishments	4.5%	5.9%
Firms that export per 1,000 firms	18.20	20.85
Foreign direct investment per capita	\$2,702	\$3,866
Number of Inc. Magazine's best 500 companies per 10,000 business establishments	0.69	0.71
Number of Small Business Innovation Reserach (SBIR) awards per 10,000 business establishments	1.4	8.1
Percentage of recent science and engineering Ph.D.s in the workforce	0.11%	0.14%
Small Business Investment Companies (SBIC) awards	272	

Source: Not Invested Here: The 2004 Southern Innovation Index

Population

Population Increase:

- Increase since 1990: 9.3%
- Increase since 1993: 0.6%
- Increase 2000-2004: 2.8%

*Based on 2002
population estimates*

*- 71% live in
metropolitan areas*

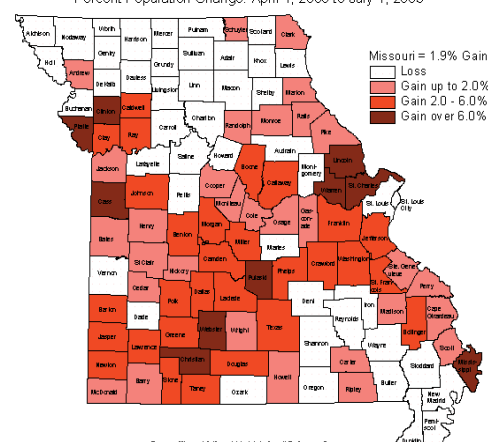
*- 13.1% in
micropolitan areas*

*- 13.9% outside
core-based
statistical areas*

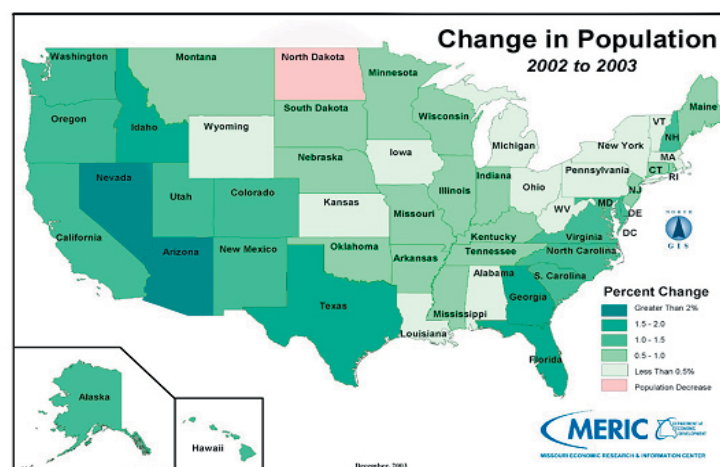
Top 5 Counties in Population (2003):

- St. Louis County – 1.02 million
- Jackson County – 659,723
- St. Louis City – 332,223
- St. Charles County – 311,531
- Greene County – 245,765

Percent Population Change: April 1, 2000 to July 1, 2003



Of the surrounding states, Missouri has the third largest population, following Illinois (12.7 million) and Tennessee (5.8 million). Tennessee had the fastest rate of growth among these states from 2002 to 2003 at 0.9 percent.



Missouri Population by Age Group

Age	1990	2000	2003 est.
0-14	1,108,011	1,164,233	1,160,629
15-24	717,483	787,720	824,294
25-34	856,202	741,232	737,924
35-44	734,825	890,477	850,094
45-54	525,212	753,433	803,312
55-64	457,489	512,047	568,251
65+	717,851	755,925	759,980
Total	5,117,073	5,605,067	5,704,484
Total Ages 25-44	1,591,027	1,631,709	1,588,018
Median Age	33.5 years	36.1 years	36.8 years

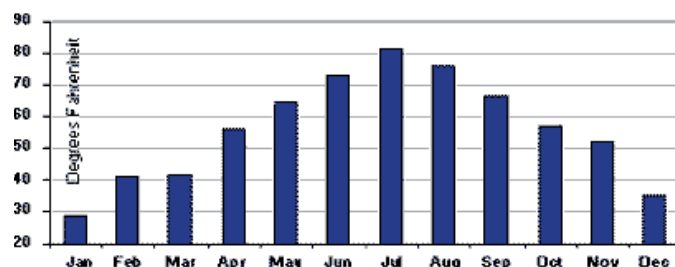
Source: Missouri Census Data Center and U.S. Census Bureau

Climate and Terrain

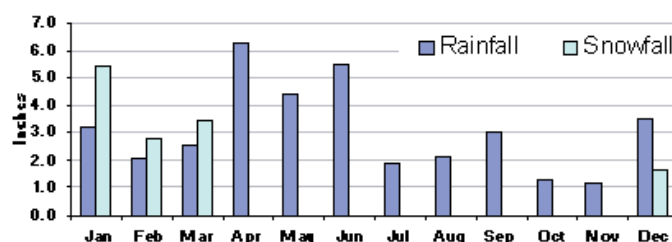
Missouri is often referred to as a Great Plains state. Glaciers once covered the north to roughly the Missouri River, leaving rich soil particularly good for growing corn. This is true prairie, crisscrossed by slow-moving rivers and streams, and defined by dramatically rolling, sparsely forested hills in the north that taper to more gentle hills in the center. Missouri is bisected by the Missouri River, which joins the vast Mississippi just above St. Louis. Both the St. Louis and Kansas City metro areas are defined by these rivers' hills, sometimes steep bluffs, and vast floodplains. The flat Osage Plains cover western Missouri. The heavily forested Ozark Plateau – the Ozarks aren't mountains -- is the state's largest land area, beginning just below the Missouri River and reaching 1,772 feet in Taum Sauk Mountain, the highest point in Missouri. The area is known for the beauty of its hills, large springs, lakes, and clear rivers. The southern part of Missouri is covered by the Mississippi Alluvial Plain.

This land, once swampy, has been drained for rich farmland. The extreme southern portion of Missouri that juts into Arkansas is called the Boot Heel because of its shape.

Average Temperatures:



Average Precipitation:

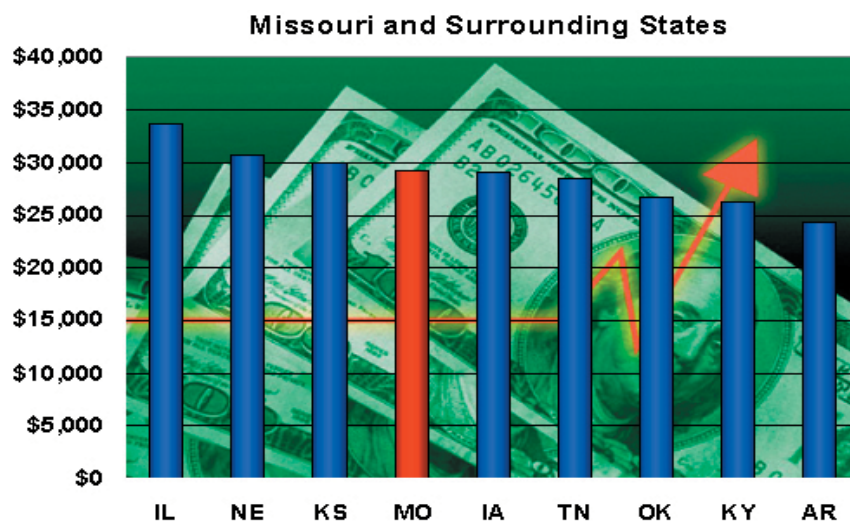


Economy

Growth in Missouri's economic activity closely follows that of the nation, and is also based on the total amount of personal income available in the state.

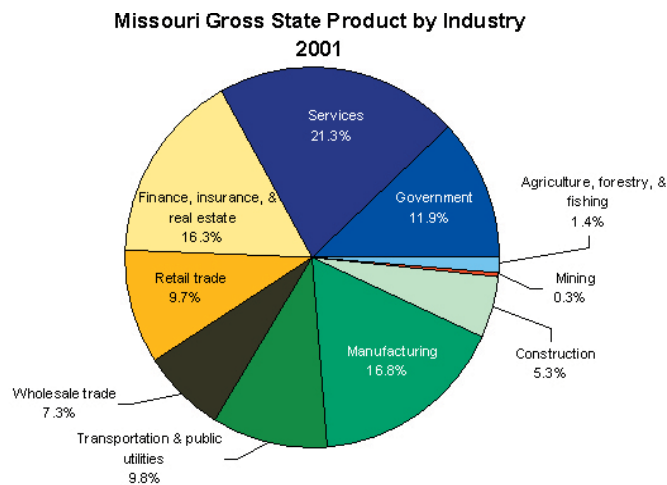
Missouri has the 5th most diversified economy in the nation.

Gross State Product ('02):	\$187.5 Billion
Cost of Living (3rdQrt04):	5th Lowest in Nation
Per Capita Personal Income ('03):	\$29,252
Median Family Income ('03):	\$54,100



Missouri Gross State Product

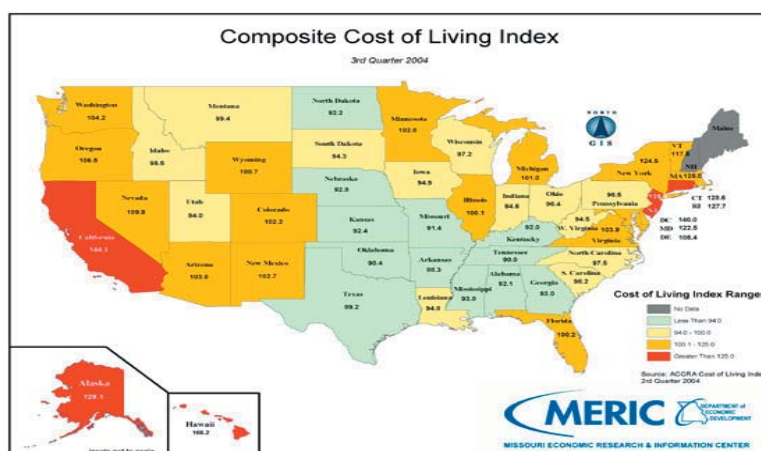
Missouri's Gross State Product (GSP) totaled \$181.5 billion in 2001 according to the U.S. Bureau of Economic Analysis. Real Missouri GSP grew by 0.4% from 2000, the same as the U.S. average for that period. GSP declined or was unchanged in 20 states from 2000 to 2001.



BUSINESS CLIMATE

Cost of Living

In the 3rd quarter of 2004, Missouri had the 5th lowest cost of living in the United States (of the 48 states and the District of Columbia surveyed by ACCRA). In general, the most expensive areas to live are New England, Alaska, Hawaii, and the West Coast. The least expensive areas continue to be the Midwest and Southern States.



Missouri's cost of living for 3rd Quarter 2004 is 91.4% -- the 5th lowest in the nation.

We derive the cost of living index for each state by averaging the indices of participating cities and metropolitan areas in that state. Missouri's cost of living for the 3rd quarter 2004 was 91.4. Cities across the nation participate in ACCRA's survey on a volunteer basis. Price information in the survey is governed by ACCRA collection guidelines that strive for uniformity. No cities in Maine or New Hampshire participated last quarter.

Missouri Gross State Product

	GSP (Current \$M)	GSP (Real 96\$M)	GSP Current-\$ (% Change)	GSP Real-\$ (% Change)
1990	104,803	122,766		
1991	110,396	124,568	5.3%	1.5%
1992	115,993	127,157	5.1%	2.1%
1993	119,680	127,578	3.2%	0.3%
1994	129,957	135,048	8.6%	5.9%
1995	139,547	141,926	7.4%	5.1%
1996	146,537	146,537	5.0%	3.2%
1997	155,811	153,392	6.3%	4.7%
1998	163,425	158,123	4.9%	3.1%
1999	168,877	161,395	3.3%	2.1%
2000	177,104	166,677	4.9%	3.3%
2001	181,493	167,370	2.5%	0.4%
2002	187,453	178,326	3.6%	1.6%

Source: US Bureau of Economic Analysis

Missouri's Gross State Product (GSP) totaled \$187.5 billion in 2002 according to the U.S. Bureau of Economic Analysis. Real Missouri GSP grew by 1.6% from 2001, compared to the U.S. average of 2.1% for that period.

Missouri had the 19th largest Gross State Product among the states in 2002. Of the surrounding states, only Illinois (5th) and Tennessee (18th) have larger economies.

Gross State Product 2002 (millions of current dollars)		
State	GSP	Rank
California	\$1,367,785	1
New York	\$792,058	2
Texas	\$773,455	3
Florida	\$520,500	4
Illinois	\$486,139	5
Pennsylvania	\$428,950	6
Ohio	\$388,224	7
New Jersey	\$380,169	8
Michigan	\$351,287	9
Georgia	\$305,829	10
Missouri	\$187,543	19

The Services sector made up the largest portion of Missouri's GSP in 2002 at 26.9%. This is followed by Finance, Insurance and Real Estate (15.8%) and Manufacturing (15.5%).

Missouri Gross State Product 2002 (millions of current dollars)		
Industry	GSP (Current \$M)	% of Total GSP
Total Gross State Product	187,543	--
Agriculture, forestry, & fishing	1,565	0.8%
Mining	435	0.2%
Construction	8,873	4.7%
Manufacturing	29,074	15.5%
Transportation & public utilities	10,834	5.7%
Wholesale trade	11,724	6.3%
Retail trade	14,493	7.7%
Finance, insurance, & real estate	29,580	15.8%
Information & Telecommunications	8,613	4.6%
Services	50,573	26.9%
Government	21,779	11.6%

Principal U.S. Companies in Missouri

By Ranking -- Missouri Fortune 500 Companies						
Company	Rank	Previous Rank	Revenues (\$mil)	Profits (\$mil)	Head-quarters	Primary Business
Anheuser-Busch	142	142	\$14,146.70	\$2,075.90	St. Louis	Malt Beverages; Aluminum Products; Amusement Parks
Emerson Electric	144	138	\$13,999.00	\$1,089.00	St. Louis	Electronic Components
May Dept. Stores	147	144	\$13,343.00	\$434.00	St. Louis	Department Stores
Express Scripts	151	147	\$13,294.50	\$249.60	Maryland Heights	Pharmacy Benefits Management
Farmland Industries	279	243	\$6,703.10	(\$546.10)	Kansas City	Agricultural Cooperative
Monsanto	353	N/A	\$4,936.00	\$68.00	St. Louis	Agriculture and Biotechnology
Charter Communications	358	362	\$4,819.00	(\$238.00)	St. Louis	Cable and other TV Services
Ameren	382	418	\$4,593.00	\$524.00	St. Louis	Utilities
Leggett & Platt	397	380	\$4,388.20	\$205.90	Carthage	Furniture and Fixtures
Graybar Electric	448	401	\$3,782.90	\$10.40	St. Louis	Electronic Parts and Equipment
H&R Block	449	462	\$3,779.80	\$580.10	Kansas City	Tax Preparation and Financial Services
Interstate Bakeries	472	443	\$3,525.80	\$27.50	Kansas City	Wholesale Baker
TOTAL			\$91,311.00	\$4,480.30		

Source: Fortune Magazine, April 2004



Exports

Missouri exports in 2003 increased by 6.53 percent from 2002, according to the Massachusetts Institute for Social and Economic Research (MISER).

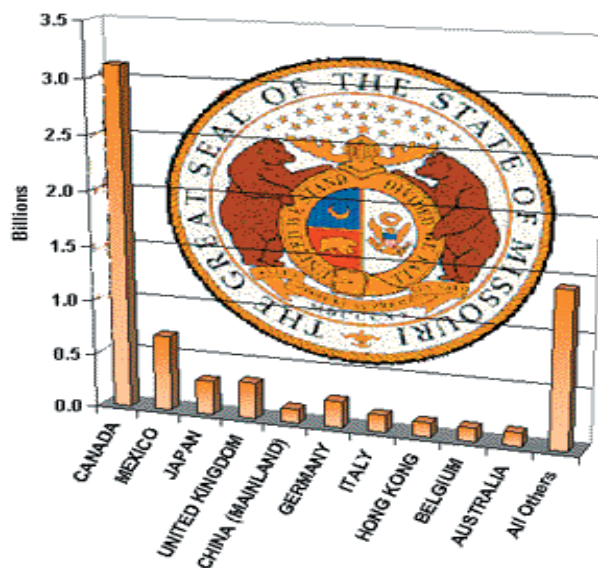
Through year-end, Missouri exported \$7.23 billion in total products, compared to \$6.79 billion (revised) in 2002.

Four of Missouri's top ten export categories experienced double-digit gains in 2003. Chemicals rose by 24%, Plastics and Rubber by nearly 20%, Leather Products by 11.05%, and Electrical Equipment, Appliances and Components by 10.14%. Though the foreign sale of most of Missouri's top export products increased, two of the top ten experienced declines. Transportation Equipment saw a decline of 4.51% and Food and Kindred Products fell by 1.03%.

MISSOURI TOP TEN EXPORT INDUSTRIES 2003		
INDUSTRY	ANNUAL 2003	% CHANGE '02-'03
Transportation Equipment	\$2,186,811,036	-4.51
Chemical	\$1,498,825,797	24.2
Machinery, except Electrical	\$741,058,054	9.58
Computer and Electronic Products	\$483,625,466	8.95
Food and Kindred Products	\$440,462,575	-1.03
Electrical Equipment, and Appliances	\$371,737,472	10.14
Fabricated Metal Products	\$239,236,752	5.67
Primary Metal Manufactruing	\$163,639,205	3.8
Plastics and Rubber Products	\$160,886,405	19.85
Leather and Allied Products	\$148,278,330	11.05

Top 5 export recipients, accounting for 66% of state export revenues:

- ✦ Canada
- ✦ Mexico
- ✦ United Kingdom
- ✦ Japan
- ✦ Belgium

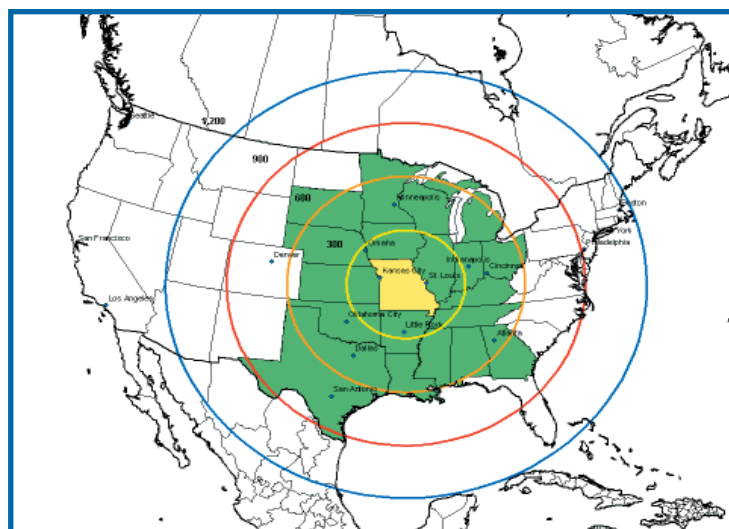


BUSINESS COSTS

When you're considering a new site for your business, location can mean everything. Affordable, efficient access to necessary resource materials, points of distribution and other key market areas is essential to your success. That is why, with its central location, Missouri should be at the top of your list.

Missouri is located near the country's geographic and population centers and is a virtual "next-door-neighbor" to at least 20 states. It's also within 500 miles of 42% of the U.S. population, 45% of all

U.S. manufacturing plants and much more. Our proximity also allows for efficient "quick shipping" to every market in the U.S., as well as major markets in Canada, Mexico, Central and South America, and the Far East.



Missouri's central location gives you that extra edge when you are considering a new site for your business.

In short, Missouri offers an attractive, high accessible atmosphere that is the perfect work site for companies that mean business.

Missouri has a comparative advantage in five main economic sectors:

- Retail Trade
- Construction
- Wholesale Trade
- Manufacturing
- Transportation, Communications, and Public Utilities

Top 5 Fortune 500 Companies with Headquarters in Missouri:

- Anheuser-Busch
- Emerson Electric
- May Department Stores
- Express Scripts
- Farmland Industries

Top 5 private industry employers in Missouri:

- Wal-Mart Inc.
- Boeing Corp.
- Washington University
- Schnuck Markets, Inc.
- Barnes-Jewish Hospitals

State Tax Collections



Corporate Tax
Rate = 6.25%

Personal Income
Tax Rate =
1.5-5.5% on income
\$9,000 and below;
6% on income
exceeding \$9,000

State Tax Collection by source, 2003

Individual Income Tax = **40.7%**

Sales = **32.6%**

Selective Sales Tax = **16.3%**

Other = **7.9%**

Corporate Income Tax = **2.3%**

Property = **0.2%**

Total Per Capita State Taxes 2003

Hawaii	\$2,837	Nevada	\$1,843
Connecticut	\$2,730	Kansas	\$1,839
Minnesota	\$2,649	Indiana	\$1,810
Delaware	\$2,602	Ohio	\$1,806
Vermont	\$2,518	Virginia	\$1,756
Wyoming	\$2,429	Illinois	\$1,750
Massachusetts	\$2,427	Iowa	\$1,719
New Jersey	\$2,308	Mississippi	\$1,717
Michigan	\$2,257	Idaho	\$1,716
California	\$2,232	Oklahoma	\$1,682
Wisconsin	\$2,227	Utah	\$1,680
Washington	\$2,114	Louisiana	\$1,656
New York	\$2,114	Alaska	\$1,648
Rhode Island	\$2,097	Montana	\$1,620
Maine	\$2,065	Oregon	\$1,602
Kentucky	\$2,022	Florida	\$1,581
Maryland	\$1,993	Arizona	\$1,557
West Virginia	\$1,983	Georgia	\$1,544
Nebraska	\$1,925	South Carolina	\$1,532
New Mexico	\$1,924	New Hampshire	\$1,521
Arkansas	\$1,888	Missouri	\$1,513
North Carolina	\$1,885	Tennessee	\$1,508
<i>United States Avg.</i>	\$1,884	Colorado	\$1,458
Pennsylvania	\$1,875	Alabama	\$1,426
North Dakota	\$1,858	South Dakota	\$1,322
		Texas	\$1,316

Source: US Census Bureau, 2003

Taxes

Missouri has consistently proven to be one of the most tax-friendly states in the U.S. for both individuals and corporations. That is good news for businesses of all types that are considering a move to Missouri or an in-state expansion.

Missouri has one of the lowest tax burdens in the nation, boasting the 48th lowest business tax burden per worker, according to data from the U.S. Census Bureau. In addition, Missouri's state and local taxes, as a percentage of personal income, rank an impressive 38th in the nation. And in Missouri, voters must approve any increase in state and local taxes. In addition, your company may be eligible for one or more of a variety of tax credits and incentive programs offered to corporations in the state.

Missouri's tax structure provides corporations with one of the most favorable situations in the nation. Our tax requirements are responsibly based and competitive. Yet, because Missouri government is efficiently managed-deficit spending is unconstitutional-it can still maintain a high level of services and facilities through its sound fiscal practices.

Corporate Income Tax

In most cases, a company located in Missouri will have a lower corporate tax bill than in other states. State law sets the corporate income tax rate at 6.25% of net taxable income earned by a business in Missouri. In addition, Missouri allows 50% of federal income tax payments to be deducted before computing taxable income. Using this deduction, a corporation with a taxable income of \$1,000,000 would have a Missouri effective tax rate of only 5.2%.

<http://www.dor.mo.gov/tax/business/corporate/>

Missouri Taxable Income

An important tax advantage for Missouri businesses is the amount of income considered taxable -- only income earned in Missouri is taxed. Two allocation options are offered for calculating this income: (1) the three-factor formula, based on sales, property and payroll, or (2) the single-factor formula, based only on sales. Missouri is the only state that permits companies to choose the formula that results in the lesser corporate income tax liability. This means that companies are not penalized for locating property and jobs in Missouri as they are in the other states. In addition, it is important to note that Missouri has not adopted worldwide or nationwide unitary tax assessment in computing multinational corporate income tax liability.

Three-Factor Formula

A single state operation determines its intrastate sales and sales to non-nexus states to find the proportion of total or gross sales. A multi-state company computes these same two types of sales, and in addition, sales originating in another state and terminating in Missouri, to determine Missouri's proportion of gross sales. Using this percentage of sales and percentages of property and payroll in Missouri, an average results in a ratio that is applied to taxable income.

Single-Factor Formula

The single-factor formula is based only on sales. Fifty percent of interstate sales and 100% of Missouri intrastate sales are combined. This total is then divided by gross sales to determine the apportionment percentage.

Missouri has consistently proven to be one of the most tax-friendly states in the U.S. for both individual and corporations.

Sales/Use Tax

The 4.225% state sales/use tax rate in Missouri is lower than the rates in 35 other states. Missouri communities have the option of adopting a local sales/use tax, generally ranging from 1/2 to 1%. Counties may also adopt a sales/use tax generally ranging from 1/4 to 1%. Use tax is similar to sales tax, but is imposed when tangible personal property comes into the state and is stored, used or consumed in Missouri. Missouri has responded to the needs of business and industry by providing eleven major exemptions from sales/use taxes:

1. Machinery and equipment used to establish a new, or expand an existing manufacturing facility, provided such machinery/equipment is used directly to manufacture a product ultimately intended for sale.
2. Replacement machinery and equipment used directly in manufacturing a product ultimately intended for sale, provided their acquisition has been necessitated by reason of change in design or product, as opposed to obsolescence.
3. Machinery, equipment and devices which abate air pollution. To qualify for this exemption, a company need only have the appropriate state governmental agency certify that the equipment is pollution control equipment.
4. Machinery, equipment and devices which abate water pollution. To qualify for this exemption, a company need only have the appropriate state governmental agency certify that the equipment is pollution control equipment.
5. Machinery and equipment used to establish a new, or replace or expand an existing material recovery processing plant. The plant must convert recovered materials into a new product or different form.
6. All materials and supplies used to install tax-exempt machinery and equipment.
7. Electricity consumed in the manufacturing process provided the cost of the electricity exceeds 10% of total production costs. The cost of electrical energy consumed in the manufacturing process cannot be included in total production costs to qualify for the exemption. Electricity used for non-manufacturing purposes, such as lighting and heating, is taxable.
8. Electricity or gas, whether natural, artificial or propane when used in connection with basic steelmaking.
9. Electricity that is converted to stored chemical energy for providing an initial charge in lead-acid storage batteries during the manufacturing process, if this electricity is separately metered. This exemption does NOT apply to any local sales taxes.
10. Anodes used in manufacturing or other types of production, with a useful life of less than one year.
11. Computers, computer software, and computer security systems purchased for use by architectural, engineering, or accounting firms headquartered in Missouri.

NOTE: Building materials used to construct a new or expand an existing facility are normally taxable. However if a Missouri city or county retains title to financed properties, the building materials can be acquired by the local government tax-exempt.

<http://www.dor.mo.gov/tax/business/sales/>

Property Tax

Property tax is often a major tax expense for a company. Yet because it is set and administered locally, property tax is seldom comparable from state to state. Not only do tax levies vary widely from one city to another, but the assessment ratio for determining property value differs significantly among the 50 states. Even within one state, assuring a uniform assessment practice is very difficult.

Missouri law sets the assessment ratio for personal property at one-third of true value throughout the state. Real properties (land and buildings) classified as commercial and industrial, are assessed at 32%; residential, 19%; and agricultural, 12% of true or fair market value. The local property tax rate is an aggregate of school, city, county, and state levies expressed in tax per \$100 assessed valuation. Commercial and industrial real property is assessed an additional county surcharge designed to replace revenues lost by the tax exemption of business inventories. The average county surcharge is about \$1.02 per \$100 assessed valuation, for a total commercial/industrial real property average tax rate of about \$6.89 per \$100. The average total personal property tax rate is about \$5.87 per \$100 valuation.

For example, at a particular Missouri site the commercial and industrial property tax rates might be as follows:

State.....	\$.03
County.....	\$1.92
City.....	\$.77
School.....	\$3.15
Surtax (real property).....	\$1.02
Total rates per \$100:	
Personal Property.....	\$5.87
Real Property.....	\$6.89

Thus a company would pay \$5.87 per \$100 on 1/3 of its total personal property, and \$6.89 per \$100 on 32% of its total real property value.

Inventories Exempt

Manufacturer's inventories (raw materials, goods in process and finished goods), as well as goods and wares of retailers, distributors and wholesalers are exempt from property taxes in Missouri.

Real Property Abatement:

Urban Redevelopment Corporations Law ("Chapter 353") and Missouri Enterprise Zone Law Missouri promotes urban redevelopment through a potential 25-year ad valorem tax incentive program known as Chapter 353. Under this program, up to 100% of improvements to real property may be exempt from state and local property taxes for up to 25 years. This law is applicable to any size city in Missouri.

Missouri enterprise zones may also abate improvements to real property up to 100% for up to 25 years.

NOTE: Program is being phased out, please contact (573) 522-2790 for more information.

Unemployment Insurance

Most companies doing business in Missouri are required to pay unemployment insurance to protect their workers during unemployment. This applies to most businesses having one or more workers on the payroll for 20 weeks during the calendar year, and to businesses paying \$1,500 in total wages in a given quarter.

Rates for 2005, 2006 and 2007 are based on the first \$11,000 of each employee's annual salary. In 2008 the taxable wage limitation rises to \$12,000 and to \$12,500 in 2009. After 2009 the taxable wage base could be increased by \$1,000 or decreased by \$500 for any year depending on the balance in the Unemployment Compensation Fund. In no event shall the taxable wage base increase beyond \$13,000 or decrease to less than \$7,000. For more information, contact the Missouri Division of Employment Security at (573) 751-3215.

If the unemployment fund balance is less than \$400 million, employers must pay a surcharge --10% when the balance is \$350-\$400 million; 20% when the balance is \$300-\$350 million; and 30% when the balance is below \$300 million. If the balance is over \$400 million, however, there will be no surcharge, and if the balance is over \$500 million, the employer will receive a 7% credit, which will increase to 12% if the fund is over \$600 million.

With the 30% surcharge currently in effect, the employer with a credit balance will contribute at a rate of 0.0% to 3.510%. The employer with a deficit account will pay up to a maximum of 7.80%; and a new Missouri company with no experience rating, will pay the current entry rate of 3.510% for two years. Thus, a new company's cost per employee would be 3.510% times \$8,000, or \$280.80.

www.dolir.missouri.gov/es/index.asp

Shared Work Program

Missouri has a Shared Work Program that is designed as an alternative for employers faced with a reduction in force to retain their trained workers. To participate, an employer must reduce the normal weekly hours of work for an employee by at least 20 percent (but not more than 40 percent), and the plan must apply to at least 10 percent of the employees in the affected unit who meet the monetary requirements for regular unemployment compensation. In return the employee would receive up to 40 percent of their weekly UI benefits. The benefits are not reduced by their earnings. All benefits paid under Shared Work are charged to the participating employer and in some cases may raise the employer's contribution rate.

For more information on the Shared Work Program contact 573-751-4018 or web site:

<http://www.dolir.missouri.gov/es/ui%2Dbenefits/shared.htm>

Manufacturer's inventories as well as goods and wares of retailers, distributors and wholesalers are exempt from property taxes in Missouri.

Worker's Compensation

In every state, business and industry incur some expense to provide their employees with worker's compensation coverage. In Missouri, all businesses with five or more employees (except agricultural or domestic labor) must provide worker's compensation insurance to protect their workers in case of job-related injury, illness, or death. Companies can offer this protection through a private insurance carrier or they can become self-insurers. Premium rates vary, depending on the risks associated with special occupations. As in most states, the premium rates apply to an employee's total annual salary. The maximum weekly benefit for temporary total disability, temporary partial disability, permanent total disability and death is currently computed as 105% of the average weekly wage, determined annually on July 1. Missouri's worker's compensation rates compare favorably with those in other states. Though benefits for claimants in other states usually increase automatically from year to year, in Missouri benefits cannot be increased without the review and approval of the state legislature.

<http://www.dolir.missouri.gov/wc/employers/>

Franchise Tax

Missouri's franchise tax is based on capital employed in a company. The rate is 1/30 of 1%, or \$0.33 per \$1,000 of par value of outstanding shares and surplus or total assets. Corporations with less than \$1,000,000 outstanding shares and surplus are not taxed. However, the corporation must still file and state that their assets do not exceed \$1,000,000.

A corporation having assets both within and without Missouri, apportions its total assets based on the amount of accounts receivable, inventory, land, and fixed assets allocated to Missouri.

<http://www.dor.mo.gov/tax/business/franchise/>

Initial Fees and Taxes

A new corporation must pay an incorporation fee of \$50 for the first \$30,000 or less of shares and \$5 for each additional \$10,000 or portion thereof. A foreign corporation pays \$150 for certification. Annual corporate registration fees must also be paid by domestic and foreign corporations doing business in Missouri. The rate is \$40 annually for registration with the Secretary of State's Office.

<http://www.sos.mo.gov/business/corporations/>



INFRASTRUCTURE

Missouri is one of two states with eight neighbors: Iowa on the north; Arkansas and Tennessee on the south; Illinois, Kentucky, and Tennessee on the east; and Nebraska, Kansas, and Oklahoma on the west. Missouri covers 69,709 square miles, making it the 21st largest of the 50 states.

Missouri is located near the country's geographic and population centers and is a virtual "next-door-neighbor" to at least 20 states. It's also within 500 miles of 42% of the U.S. population, 45% of all U.S. manufacturing plants and much more. Our proximity also allows for efficient "quick shipping" to every market in the U.S., as well as major markets in Canada, Mexico, Central and South America, and the Far East.

In short, Missouri offers an attractive, high accessible atmosphere that is the perfect work site for companies that mean business.

Air Transportation

Missouri's central location also allows for fast, efficient access to international markets. The Kansas City International Airport and Lambert International Airport in St. Louis provide convenient air travel. Success in the global market requires the ability to transport passengers and products to anywhere in the world. You can do this quickly and at minimal cost from Missouri's numerous aviation facilities. In fact, Missouri business travelers can reach most cities in the U.S. and Canada in less than three hours.

Each year over 160,000 tons of cargo and 20 million airline passengers are transported in Missouri by air. The airport system of Missouri consists of approximately 130 public-use airports. Two airports, Lambert International in St. Louis and Kansas City International, support major commercial-passenger traffic. Six other airports in Cape Girardeau, Columbia, Joplin, Ft. Leonard Wood, Kirksville, and Springfield provide regional commercial-passenger services. The remaining airports support a variety of needs from large business to general business to basic aviation facilities. Commercial passenger airports have scheduled commercial aircraft traffic and generally have runway lengths greater than 7,000 ft. Large business airports have runway lengths normally ranging from 4,500 to 7,000 ft. and also provide jet fuel. General business airports typically have runways lengths between 3,500 and 4,500 ft. and usually serve smaller jet or turboprop aircraft. All other airports are categorized as basic aviation.

Missouri Highway System

Missouri boasts the 6th largest highway system in the nation with approximately 32,372 miles of highways. 1,178 of those miles are interstate. With 10 major interstates, Missouri's highway system is the seventh largest in the nation.

Interstate and Highways

With 10 major interstates, we have the sixth largest highway system in the nation. And more than 83,000 commercial trailers are registered in our state. So your business can keep its merchandise and materials moving year-round. For further transport access, Kansas City and St. Louis are the second and third largest truck terminals in the United States.





Rail

In Missouri, six class-one railroads deliver efficient, inexpensive shipping to most U.S. cities. Kansas City and St. Louis, in fact, are two of the largest rail terminals in the U.S. linking over 4,000 miles of tracks throughout the state.

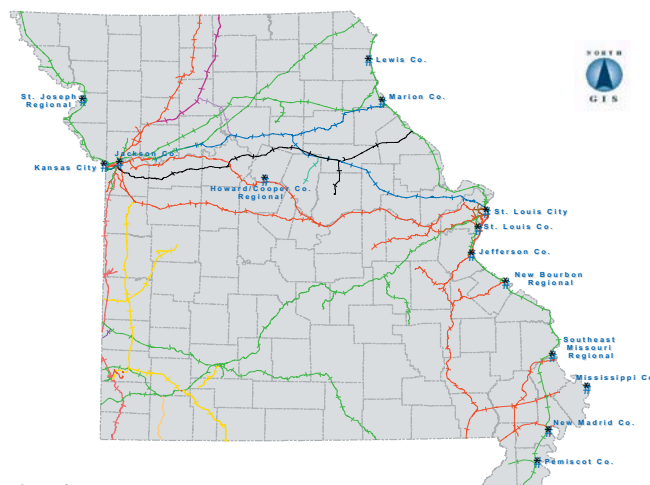
Major Rail Carriers in the state include: Burlington & Santa Fe, Union Pacific, Norfolk Southern and Amtrak.

River and Barge

For cost-effective shipping to key U.S. cities and worldwide ports, Missouri offers more than 1,000 miles of water transport via the Mississippi and Missouri Rivers and 14 ports.

Missouri Port Authorities:

- Lewis County-Canton
- Marion County
- St. Joseph Regional
- Kansas City
- Howard/Cooper County Regional
- City of St. Louis
- St. Louis County
- Jefferson County
- Southeast Missouri Regional
- Mississippi County
- New Madrid County
- Pemiscot County



Three Federal Enterprise and Empowerment Zones:

- St. Louis
- Kansas City
- East Prairie

Missouri has 3 Foreign Trade Zones:

Greater Kansas City Foreign Trade Zone, Inc.—FTZ #15, Fifth Street, Suite 200,
Kansas City, Missouri 64106 Phone: 816-474-2227

St. Louis County Port Authority, FTZ #102, 121 South Meramec, Suite 900,
St. Louis, Missouri 63105 Phone: 314-889-7663

City of Springfield, FTZ #225, 202 S. John Q. Hammons Pkwy,
Springfield, MO 65801 Phone: 417-862-5567

WORKFORCE

Missouri's exceptional labor force is the "force" behind the state's robust economy.

A quality employee base is one of the most important factors in successful business. Missouri's skilled and abundant workforce allows companies to hire from a pool of highly qualified individuals.

Total employment in Missouri grew by 4 percent between 1995 and 2003, from 2,723,985 to 2,850,455. Services dominate employment in the state with business, personal services, health care and trade at the top of the list. These industries serve a broad geographic of over 5 million people and employ over 84.7% percent of the total work base in the state.

- Average Cost of Hourly Labor:
 - Overall Average Wage: \$15.85
 - Goods Producing: \$16.70
 - Private Service Product: \$12.03
- 2004 Unemployment Rate: May '04: 5.1%; October '04: 5.6%
- 2003 Unemployment Rate: 5.6%
- 2003 Labor Force: 3,020,592

Occupations and Type of Employer

Among the most common occupations were: management, professional, and related occupations, 32 percent; sales and office occupations, 27 percent; service occupations, 16 percent; production, transportation, and material moving occupations, 15 percent; and construction, extraction, and maintenance occupations, 9 percent. Seventy-eight percent were private wage and salary workers; 14 percent were Federal, state, or local government workers; and 7 percent were Self-employed.

Geographic Mobility

In 2002, 83 percent of the people at least one year old living in Missouri were living in the same residence one year earlier; 10 percent had moved during the past year from another residence in the same county, 4 percent from another county in the same state, 2 percent from another state, and less than 0.5 percent from abroad.

Travel to Work

Eighty-one percent of Missouri workers drove to work alone in 2002, 10 percent carpooled, 2 percent took public transportation, and 3 percent used other means. The remaining 4 percent worked at home. Among those who commuted to work, it took them an average 23 minutes to get to work.

Cost of Hourly Labor:

- Overall Average Wage: \$15.85
- Goods Producing: \$16.70
- Private Service Product: \$12.03

Unemployment 2004 Rate:

- May '04: 5.1%
- Oct. '04: 5.6%

2003 Rate: 5.6%

2003 Labor Force: 3,020,592

Employment and Wages by Firm Size

Firm Size # Employees	# Firms	% Firms	# Employees	% Employment	Total Wages	% Wages	Avg. Annual Wage
< 20	129,464	87.2%	591,140	26.1%	\$15,090,280,500	21.1%	\$25,528
20-49	11,479	7.7%	343,010	15.2%	\$10,145,339,900	14.2%	\$29,577
50-99	4,267	2.9%	290,180	12.8%	\$8,718,259,500	12.2%	\$30,044
100+	3,237	2.2%	1,037,270	45.9%	\$37,696,734,200	52.6%	\$36,342

Labor Force Participation

Missouri's 2000 Census reported a high civilian labor force participation rate in the male and female population age 16 and over. In 2002, 69.0 percent of the civilian population participated in the labor force.

Annual Employment Growth Rate Estimates Through 2003				
SECTOR	Percent Change		Change	
	Avg Estimate	Low Estimate	Avg Estimate	Low Estimate
Construction	4.15	2.27	5,868	3,210
Finance, Insurance & Real Estate	2.35	1.17	3,944	1,963
Government	1.88	2.38	8,090	10,242
Manufacturing	-0.48	-2.21	-1,929	-8,883
Mining	1.92	0.97	100	51
Services	2.89	2.51	22,826	19,825
Transportation, Comm. & Public Utilities	1.57	-0.34	2,687	-582
Trade	1.68	1.16	10,915	7,536
MISSOURI	1.85	1.18	51,011	32,537

Notes: Average Estimate based on average from 1995 to 2000. Low Estimate based on 2000 year only.

Missouri Annual Average Employment Statistics				
	Labor Force	Employment	Unemployment	Rate
2003	3,020,592	2,850,466	170,126	5.6%
2002	2,982,061	2,817,661	164,400	5.5%
2001	3,017,126	2,876,522	140,604	4.7%
2000	2,967,617	2,865,818	101,799	3.4%
1999	2,886,858	2,789,586	97,272	3.4%
1995	2,860,767	2,723,985	136,782	4.8%

Wages

The 30 largest occupations in Missouri account for about 41 percent of total employment in the state. Almost two-thirds of the studied occupations pay less than the overall average wage (for all occupations) of \$15.85 per hour. The average wage for the 28 occupations that have standard working schedules is \$12.66 per hour.

The top 30 occupations in Missouri represent 13 of the 22 major occupational groups in the Standard Occupational Classification (SOC) system. These occupations pay wages ranging from \$7.13 per hour for food preparation workers to \$34.83 per hour for general and operations managers.

Retail salespersons have the highest employment in Missouri at 80,520. Rounding out the top four employing occupations in Missouri are general office clerks (69,640), cashiers (68,410) and combined food preparation and serving workers, including fast food (54,730). Each of these four occupations has an hourly wage much lower than the state average. None of the four requires more than short-term on-the-job training.

There are, however, some occupations in the top 30 that pay higher wages. Registered nurses, the fifth largest occupation, pay an average of \$21.55 per hour (about \$44,824 per year). General and operations managers, the seventh largest occupation, pay an average wage of \$34.83 per hour (about \$72,446 per year). Registered nurse positions typically require an Associate's degree and managers generally require a bachelor's degree plus some experience in related occupations.

Only five Missouri jobs had lower wages than the average for all of the nine surrounding states combined: nursing aides and orderlies, elementary school teachers, secondary school teachers, hand packers and packagers, and licensed practical and licensed vocational nurses. The differences between the average wage across the states and Missouri's wage for most of these occupations was very small, \$0.21 per hour or less.

WAGES AND EMPLOYMENT BY SIC:
 Missouri, 2003, 3rd Quarter

NAICS	Industry	Average	Total Wages	Average Weekly Wages
	Total, All Industries	2,598,452	\$21,484,827,623	\$636
11	Agriculture, Forestry, Fishing & Hunting	11,190	\$67,250,716	\$462
21	Mining	4,494	\$63,694,760	\$1,090
22	Utilities	11,992	\$173,121,857	\$1,110
23	Construction	144,861	\$1,430,760,712	\$760
31	Manufacturing	307,223	\$3,079,148,085	\$771
42	Wholesale Trade	118,603	\$1,327,108,369	\$861
44	Retail Trade	311,127	\$1,674,432,207	\$414
48	Transportation and Warehousing	87,437	\$778,691,917	\$685
51	Information	67,383	\$764,739,868	\$873
52	Finance and Insurance	118,150	\$1,330,214,917	\$866
53	Real Estate and Rental and Leasing	41,142	\$286,514,827	\$536
54	Professional and Technical Services	111,713	\$1,432,673,756	\$987
55	Management of Companies and Enterprises	66,565	\$982,476,342	\$1,135
56	Administrative and Waste Services	126,899	\$739,218,915	\$448
61	Educational Services	38,003	\$376,487,189	\$762
62	Health Care and Social Assistance	292,677	\$2,427,156,014	\$638
71	Arts, Entertainment, and Recreation	48,624	\$328,414,891	\$520
72	Accommodation and Food Services	228,134	\$698,334,752	\$235
81	Other Services, Ex. Public Admin	83,743	\$464,287,855	\$426

Source: Missouri ES202 Data

Overall job growth is expected to be about 11% in Missouri through 2010 with about 101,000 job openings each year. More than half of the top 30 occupations are expected to grow faster than the state average for all occupations.

WAGES AND EMPLOYMENT BY SIC:
Missouri, 2002

NAICS	Industry	2002 Total Wages	2002 Avg. Weekly Wages	2002 Average Employment
	Total, All Industries	\$86,982,917,595	\$637	2,626,657
11	Agriculture, Forestry, Fishing & Hunting	\$249,696,967	\$438	10,970
21	Mining	\$207,523,034	\$923	4,322
22	Utilities	\$899,059,515	\$1,357	12,739
23	Construction	\$5,461,164,525	\$759	138,398
31	Manufacturing	\$12,924,237,563	\$770	322,711
42	Wholesale Trade	\$5,312,010,177	\$857	119,151
44	Retail Trade	\$6,532,721,930	\$401	312,924
48	Transportation and Warehousing	\$3,262,327,397	\$686	91,445
51	Information	\$3,166,109,245	\$862	70,673
52	Finance and Insurance	\$5,267,348,364	\$876	115,647
53	Real Estate and Rental and Leasing	\$1,102,859,230	\$535	39,663
54	Professional and Technical Services	\$5,833,018,896	\$990	113,258
55	Management of Companies and Enterprises	\$4,394,526,910	\$1,232	68,588
56	Administrative and Waste Services	\$2,842,339,223	\$440	124,135
61	Educational Services	\$1,434,651,187	\$689	40,018
62	Health Care and Social Assistance	\$9,153,284,543	\$611	287,916
71	Arts, Entertainment, and Recreation	\$1,184,927,616	\$529	43,062
72	Accommodation and Food Services	\$2,614,341,167	\$232	217,101
81	Other Services, Ex. Public Admin	\$1,812,216,748	\$426	81,726

ES202 Missouri 2002 Total Wages



Average Wages and Total Employment for the Top Thirty Employing

Sample Occupations in Missouri: April, 2004

SOC	OCCUPATIONAL TITLE	AVG WAGE	EMPLY.
41-2031	Retail salespersons	\$10.10	80,520
43-9061	Office clerks, general	\$10.93	69,640
41-2011	Cashiers	\$7.52	68,410
35-3021	Combined food preparation and serving workers, including fast food	\$7.13	54,730
29-1111	Registered nurses	\$21.55	50,790
35-3031	Waiters and waitresses	\$7.27	45,340
11-1021	General and operations managers	\$34.83	44,830
43-4051	Customer service representatives	\$12.96	43,020
53-7062	Laborers and freight, stock, and material movers, hand	\$10.76	41,900
37-2011	Janitors and cleaners, except maids and housekeeping cleaners	\$9.08	40,530
53-3032	Truck drivers, heavy and tractor-trailer	\$17.39	39,830
31-1012	Nursing aides, orderlies, and attendants	\$8.79	38,020
43-3031	Bookkeeping, accounting, and auditing clerks	\$12.60	33,700
51-2092	Team assemblers	\$12.84	33,080
25-2021	Elementary school teachers, except special education*	\$35,130	32,410
43-1011	First-line supervisors/managers of office and administrative support workers	\$18.05	30,230
41-1011	First-line supervisors/managers of retail sales workers	\$15.30	29,610
43-6014	Secretaries, except legal, medical and executive	\$11.79	29,500
43-5081	Stock clerks and order fillers	\$10.20	29,460
49-9042	Maintenance and repair workers, general	\$14.83	25,770
41-4012	Sales representative, wholesale and manufacturing, except technical and scientific products	\$22.83	24,950
25-2031	Secondary school teachers, except special and vocational education*	\$35,770	24,120
43-6011	Executive secretaries and administrative assistants	\$15.43	24,020
47-2031	Carpenters	\$19.74	21,890
37-2012	Maids and housekeeping cleaners	\$7.65	20,540
43-4171	Receptionists and information clerks	\$9.88	19,180
13-2011	Accountants and auditors	\$22.92	19,030
53-7064	Packers and packagers, hand	\$8.61	18,360
29-2061	Licensed practical and licensed vocational nurses	\$13.78	18,120
53-3033	Truck drivers, light or delivery services	\$12.63	17,730

*Occupations which do not work a standard 2,080 hour work year.

The following table is a select sample of Missouri occupations, along with employment and wage data. Detailed information and projections on each of these occupations, as well as all other occupations, is available in the [full report](#):

Occupation	Employment		Hourly Wage	
	2000 Estimated	2010 Projected	Mean	Entry
Management Occupations	174,720	196,200		
General and Operations Managers	50,640	55,870	34.83	16.93
Marketing Managers	4,370	5,280	36.32	19.73
Sales Managers	7,290	9,110	37.95	19.85
Administrative Services Managers	6,020	6,800	23.70	11.97
Computer and Information Systems Managers	6,470	8,690	36.91	23.56
Financial Managers	12,250	14,030	33.98	19.36
Human Resources Managers	4,760	5,000	30.93	18.06
Industrial Production Managers	4,990	5,050	31.74	18.63
Purchasing Managers	2,650	2,380	28.03	15.55
Transportation, Storage, and Distribution Managers	3,040	3,430	29.74	17.00
Engineering Managers	4,740	4,620	39.53	27.32
Managers, All Other	10,900	10,990	30.42	15.74
Computer and Mathematical Occupations	55,140	76,870		
Computer Programmers	11,550	11,340	28.59	18.32
Computer Software Engineers, Applications	6,160	9,570	32.85	23.75
Computer Software Engineers, Systems Software	3,130	4,740	32.16	23.22
Computer Support Specialists	11,020	19,280	19.44	11.97
Computer Systems Analysts	10,930	14,200	28.23	18.87
Network and Computer Systems Administrators	4,050	6,420	25.32	17.44
Network Systems and Data Communications Analysts	2,440	3,740	28.51	18.63
Architecture and Engineering Occupations	40,870	42,990		
Biomedical Engineers	130	150	27.84	19.84
Chemical Engineers	850	920	36.99	25.20
Civil Engineers	3,070	3,290	28.55	20.71
Computer Hardware Engineers	580	620	29.28	20.20
Electrical Engineers	2,750	2,840	29.51	21.50
Electronics Engineers, Except Computer	1,460	1,540	31.16	22.34
Industrial Engineers	2,970	2,750	29.60	21.11
Mechanical Engineers	3,520	3,770	29.37	20.69
Engineers, All Other	1,580	1,410	30.32	20.50
Electrical and Electronic Engineering Technicians	3,010	3,060	19.33	12.12
All other drafters, engineering, and mapping technicians	1,860	2,130	19.09	12.77
Life, Physical, and Social Science Occupations	15,590	17,620		
Microbiologists	210	210	23.92	15.47
Life Scientists, All Other	190	210	26.49	18.01
Chemists	1,370	1,500	24.85	15.42
Biological Technicians	430	470	16.18	10.32
Chemical Technicians	1,140	1,230	20.18	13.70
Life, Physical, and Social Science Technicians, All Other	970	1,090	15.38	10.38
Sales and Related Occupations	320,370	351,690		
Office and Administrative Support Occupations	488,620	513,410		
Construction and Extraction Occupations	151,210	175,880		
First-Line Supervisors/Managers of Construction Trades and Extraction Workers	15,110	17,180	24.06	16.47
Construction Laborers	14,480	17,750	16.46	9.59
Operating Engineers and Other Construction Equipment Operators	8,630	9,680	18.80	11.66
Electricians	13,270	16,650	23.55	13.65
Installation, Maintenance, and Repair Occupations	121,800	131,610		
Telecommunications Equipment Installers and Repairers, Except Line Installers	7,220	6,310	20.36	13.52
Electrical and Electronics Repairers, Commercial and Industrial Equipment	1,720	1,870	18.55	12.40
Mobile Heavy Equipment Mechanics, Except Engines	2,600	2,980	17.44	13.28
Maintenance and Repair Workers, General	28,300	28,940	14.83	9.25
Maintenance Workers, Machinery	1,860	1,950	15.91	9.62
Telecommunications Line Installers and Repairers	3,360	4,150	19.50	12.03
Medical Equipment Repairers	1,330	1,520	22.21	13.23
Production Occupations	277,070	283,980		
First-Line Supervisors/Managers of Production and Operating Workers	17,800	17,840	20.05	12.22
Coil Winders, Tapers, and Finishers	1,660	1,730	11.76	9.61
Electrical and Electronic Equipment Assemblers	6,070	5,350	10.78	8.05
Structural Metal Fabricators and Fitters	2,350	2,630	14.02	10.18
Team Assemblers	37,760	38,580	12.84	8.03
Assemblers and Fabricators, All Other	7,110	7,030	18.53	8.38
Meat, Poultry, and Fish Cutters and Trimmers	5,600	6,030	9.06	7.76
Slaughterers and Meat Packers	4,130	4,230	8.89	7.52
Food Batchmakers	1,810	1,940	12.37	8.87
All other food processing workers	1,990	1,750	10.91	8.44

Computer-Controlled Machine Tool Operators, Metal and Plastic	2,810	3,270	14.19	10.04
Extruding and Drawing Machine Setters, Operators, and Tenders, Metal and Plastic	2,590	2,830	11.77	7.99
Cutting, Punching, and Press Machine Setters, Operators, and Tenders, Metal and Plastic	9,300	8,610	12.03	8.66
Grinding, Lapping, Polishing, and Buffing Machine Tool Setters, Operators, and Tenders, Metal and Plastic	1,780	1,860	12.93	9.20
Lathe and Turning Machine Tool Setters, Operators, and Tenders, Metal and Plastic	1,740	1,560	13.90	10.54
Milling and Planing Machine Setters, Operators, and Tenders, Metal and Plastic	680	650	11.54	8.04
Machinists	10,390	10,530	15.46	10.27
Molding, Coremaking, and Casting Machine Setters, Operators, and Tenders, Metal and Plastic	3,990	4,490	10.81	7.81
Multiple Machine Tool Setters, Operators, and Tenders, Metal and Plastic	2,000	2,230	12.04	9.12
Tool and Die Makers	2,880	2,870	19.93	13.58
Welders, Cutters, Solderers, and Brazers	10,260	11,600	14.65	9.94
Welding, Soldering, and Brazing Machine Setters, Operators, and Tenders	1,450	1,570	12.44	9.20
Heat Treating Equipment Setters, Operators, and Tenders, Metal and Plastic	1,130	1,200	12.60	7.92
Plating and Coating Machine Setters, Operators, and Tenders, Metal and Plastic	1,280	1,460	12.59	8.83
Printing Machine Operators	6,060	6,370	15.30	9.30
Cabinetmakers and Bench Carpenters	3,880	4,430	12.03	8.37
Chemical Equipment Operators and Tenders	1,590	1,850	18.22	14.09
Mixing and Blending Machine Setters, Operators, and Tenders	4,450	4,690	13.99	9.59
Extruding, Forming, Pressing, and Compacting Machine Setters, Operators, and Tenders	1,940	2,140	13.14	9.14
Inspectors, Testers, Sorters, Samplers, and Weighers	10,350	9,400	15.56	9.31
Packaging and Filling Machine Operators and Tenders	8,540	9,500	11.82	7.50
Coating, Painting, and Spraying Machine Setters, Operators, and Tenders	2,400	2,610	14.27	9.07
Paper Goods Machine Setters, Operators, and Tenders	3,310	3,330	12.00	8.73
Helpers--Production Workers	10,250	10,820	10.22	7.31
Production Workers, All Other	7,990	8,130	15.60	8.21
Transportation and Material Moving Occupations	211,550	230,390		
First-Line Supervisors/Managers of Helpers, Laborers, and Material Movers, Hand	3,540	3,930	16.55	10.14
First-Line Supervisors/Managers of Transportation and Material-Moving Machine and Vehicle Operators	3,360	3,770	20.17	12.29
Conveyor Operators and Tenders	1,400	1,480	13.14	8.58
Industrial Truck and Tractor Operators	16,040	17,110	12.52	8.84
Laborers and Freight, Stock, and Material Movers, Hand	42,140	44,900	10.76	7.11
Machine Feeders and Offbearers	3,810	3,410	10.86	8.04
Packers and Packagers, Hand	20,440	22,790	8.61	6.38
Material Moving Workers, All Other	1,000	1,070	14.73	8.40

Education Statistics:

- Public High School Graduation Rate (02-03): 84.2%
- Average Dropout Rate: 3.38%
- Public High School Graduates Entering 2-4 Year College: 64.9%
- Public High School Graduates Entering Technical College: 4.1%

Source: MO Dept. Elementary & Secondary Education

Missouri schools are technologically advanced according to the 2003 Missouri Census of Technology:

- 85% of elementary & secondary schools have a T1 or higher Internet connection.
- 97% of elementary & secondary classrooms are connected to the Internet.
- Student to computer ratio in classrooms is 3.3 to 1.
- Student to Internet connected computer ratio is 4.0 to 1.

Source: MO Dept. Elementary & Secondary Education

Labor Force Education

Missouri's labor force consistently ranks above the national average on many education levels. For example, over 88% of Missouri's adult population (25 years and older) has completed high school or higher degrees according to the U.S. Census Bureau. That's well above the national average of 81.6%. Overall, Missouri ranks above the nation's education attainment with 26.7% of adults 25 and older having received a bachelor's or higher degree.

Missouri's world-class college and universities produce highly qualified graduates prepared to meet the demands of today's employer. Students currently enrolled in higher education institutions graduate with degrees in areas ranging from business management and accounting to electrical engineering and computer science to biotechnology and chemistry. In addition, Community Colleges throughout the state offer many vocational and technical programs that train students to specialized in trades and skills that meet the needs of area employers. There are also a variety of continuous education and training programs available throughout the state.

WORKFORCE EDUCATION

Missouri's labor force consistently ranks above the national average on many education levels. For example, over 88% of Missouri's adult population (25 years and older) has completed high school or higher degrees according to the U.S. Census Bureau. That's well above the national average of 81.6%. Overall, Missouri ranks above the nation's educational attainment with 26.7% of adults 25 and older having received a bachelor's or higher degree.

Missouri's world-class college and universities produce highly qualified graduates prepared to meet the demands of today's employer. Students currently enrolled in higher education institutions graduate with degrees in areas ranging from business management and accounting to electrical engineering and computer science to biotechnology and chemistry. In addition, Community Colleges throughout the state offer many vocational and technical programs that train students to specialized in trades and skills that meet the needs of area employers. There are also a variety of continuous education and training programs available throughout the state.

ACT/SAT Scores

Year	ACT Scores		SAT Scores	
	Missouri	National	Missouri	National
1994-95	21.3	20.8	1,045	910
1995-96	21.4	20.9	1,139	1,013
1996-97	21.5	21.0	1,135	1,016
1997-98	21.5	21.0	1,143	1,017
1998-99	21.6	21.0	1,144	1,016
1999-00	21.6	21.0	1,149	1,019
2000-01	21.4	21.0	1,154	1,020
2001-02	21.5	20.8	1,154	1,020
2002-03	21.4	20.8	1,165	1,026
2003-04	21.5	20.9	1,172	1,026

Major Universities and Colleges in Missouri

Missouri is home to 32 public two- and four-year institutions as well as 50 private two- and four-year institutions. In addition, numerous technical, professional and theological institutions along with certified postsecondary institutions ensure that Missourians have access to a broad spectrum of educational opportunities. Many of these institutions also provide specialized skills training.

Educational Institutions

Numbers of Institutions

2/4 Yr. Public	32
2/4 Yr. Independent	50
Cert. Post-Secondary	128

Public School Teacher Statistics

Average Years Teaching Experience:	15
Teaches with Master's Degree or Higher:	42.8%
Student-Teacher Ratio:	18:1
Student-Admin. Ratio:	219:1

Among Missouri's most recognized public and private institutions are:

Public Institutions:

Central Missouri State University
 Lincoln University
 Linn State Technical College
 Missouri Southern State University
 Missouri Western State College
 Northwest Missouri State University
 Southeast Missouri State University
 Southwest Missouri State University
 Truman State University
 University of Missouri System

- University of Missouri-Columbia
- University of Missouri-Kansas City
- University of Missouri-Rolla
- University of Missouri-St. Louis

Private Institutions:

Fontbonne College
 Kansas City Art Institute
 Rockhurst University
 Saint Louis University
 Southwest Baptist University
 Stephens College
 Washington University
 Westminster College
 William Woods University

Top Midwest States for High School Completion Rates

State	Percentage of Adults 25+ Completing High School or Higher
Missouri	88.1%
Arkansas	81.0%
Iowa	88.3%
Illinois	85.9%
Indiana	85.3%
Kansas	87.5%
Kentucky	80.8%
Michigan	86.5%
Minnesota	92.2%
North Dakota	89.0%
Nebraska	89.8%
Ohio	87.3%
Oklahoma	85.1%
South Dakota	89.2%
Tennessee	80.1%
Texas	78.1%
Wisconsin	86.8%

Source: US Census Bureau, 2002

Top Midwest States With College Degrees

State	Percentage of Adults 25+ with Bachelor's Degrees or Higher
Missouri	26.7%
Arkansas	18.3%
Iowa	23.1%
Illinois	27.3%
Indiana	23.7%
Kansas	29.1%
Kentucky	21.6%
Michigan	22.5%
Minnesota	30.5%
North Dakota	25.3%
Nebraska	27.1%
Ohio	24.5%
Oklahoma	20.4%
South Dakota	23.6%
Tennessee	21.5%
Texas	26.2%
Wisconsin	24.7%

Source: US Census Bureau, 2002

LEGAL FORMATION

Selecting the proper business structure under which you will operate your business is one of the most important decisions that you will make. Many new business ventures develop without a great deal of planning and this lack of planning can result in predictable difficulties for the new business and contribute to its failure.

Missouri law allows individuals to operate under four forms or organization:

- Sole Proprietorship
- Partnership
- Corporation
- Limited Liability Company (LLC)

SOLE PROPRIETORSHIP

The most common form of a new business is sole proprietorship. This is a business owned by a single individual.

The greatest advantage of sole proprietorship is that no planning for structure is required, and the individual owner is free to operate as she or he chooses.

Some disadvantages of sole proprietorship are the limited opportunity for expansion and the owner's personal responsibility for all obligations, debts and other liabilities the business may incur. While insurance is available for protection from these hazards, the cost may be prohibitive. Growth of a sole proprietorship will usually result in a change from this structure.

PARTNERSHIP

A partnership is the joining of one or more individuals, corporations or other entities under a partnership agreement. The law does not recognize the partnership as a separate distinct entity; rather, it considers the partnership to be all of the partners acting together.

All powers, liabilities and authorities of the partners are controlled and limited by the partnership agreement. However, it is possible for a partner to exceed his or her authority and for the partnership to be bound when the person with whom the partner does business is not aware of the limitations contained in the partnership agreement. Partnership agreements are in writing and, if there are limitations placed upon individual partners, such agreements should be made available to any person or company with whom the partnership does business.

There are three types of partnerships recognized under the law: *general partnerships, limited partnerships and limited liability partnerships.*

CORPORATION

Before considering the advantages and disadvantages of a corporation as a business structure, it is important to understand the concept. A corporation is a legally created entity with rights, duties, powers and responsibilities in and of itself. Each state has a section of law covering those aspects of corporations. The law is similar in each state, but not identical.

A corporation cannot act except through individuals. When individuals perform on behalf of a corporation, the actions are usually attributable to the corporation and not to the individual. The ownership of property, the incurrence of debt, and the performance of services and sales of goods are the responsibility of the corporation rather than the individuals in the corporation.

REQUIRED REGISTRATION FORMS

are available from:

Missouri Secretary of State
(573)751-3827

or can be downloaded from
the web at:

www.sos.mo.gov/forms.asp

The advantage of a limited partnership over a general partnership is that most of the partners limit their liability while preserving the right to participate in profits and/or tax advantages.

Shareholders contribute capital to the company and are the owners of the corporation. Shareholders are not responsible for the debts or liabilities of the corporation.

One advantage of the corporate structure is that shareholder liability is limited to the loss of the shareholder's investment unless a shareholder accepts additional responsibility such as guaranteeing a loan to the company. Limitation of liability was the original reason for the creation of the corporate entity and it is still a basic consideration in the formation of any new business using the corporate structure.

An additional advantage of corporations is the ability to bring other individuals into ownership of the business to raise additional funds.

There are few disadvantages to using the corporate form in setting up a business. Some minor costs are incurred for incorporating and for annual filing fees within states in which the corporation is doing business.

A general business corporation may engage in most activities except those which are specifically prohibited by law. It may not engage in business for which license are required, such as the practice of law or medicine. A general business corporation may pursue other businesses such as banking, insurance or financing if state approval is obtained.

Subchapter S Corporation provides the legal protection of a corporation, but for tax purposes, the income or loss is passed on to the shareholders in proportion to their ownership. It is important to note that to be recognized as a Subchapter S Corporation, the corporation must apply to the Internal Revenue Service (IRS) for "S Status" -- request form 2553.

A corporation can elect "S" status if it meets the following requirements:

1. It must be a domestic corporation.
2. It must have only one class of stock.
3. It must not have more than 75 shareholders.
4. It has a calendar tax year or a business purpose for adopting a fiscal year.
5. It must have only individuals and their estates and certain trusts as shareholders.
6. All shareholders must be citizens or residents of the U.S.
7. It must not be a member of an affiliated group of corporations.

Missouri law allows for the creation of close corporations (sometimes referred to as "C corps"). Missouri's law is based on the Model Business Corporation Act. Missouri's Close Corporation Law is designed to make it easier for one or a few persons to do business as a corporation. Under this law, a close corporation can choose not to have a board of directors, annual meetings or bylaws if so stated in the article of incorporation. (See Section 351.315 of Missouri Statutes for more information).

A regular business corporation may become a statutory close corporation if it has fifty or fewer shareholders and amends its articles, with a 2/3 vote, to state that it is a statutory close corporation.

LIMITED LIABILITY COMPANIES (LLC)

In 1993, Missouri enacted a statute creating a new form of business entity, the limited liability company. Most other states have also created this type of business entity within the past few years. A limited liability company is a non-corporate business. Members of the company can be actively involved in the management of the business, but they are shielded from liabilities. A limited liability company is not a corporation, partnership or trust; but has corporate-like liability protection for the owners and partnership-like flexibility in capital and management structure.

Limited liability companies are relatively easy to organize and maintain. In Missouri, a limited liability company can conduct any business activity. Business owners use this type of organization because it can combine the liability protection of corporations with the flexibility and tax advantages of partnerships.

Joint Ventures

A joint venture is a partnership of one or more sole proprietors, partnerships or corporations for the purpose of performing specific goals or tasks, such as a large construction project or the development of certain products or services. One such joint venture was the General Motors-Toyota agreement for the joint production of cars to be offered through General Motors dealerships.

The advantage of a joint venture is that existing businesses can join together without forming a new entity and without having any continuing obligations to each other beyond the joint venture agreement.

The disadvantage is that unless a party with whom a joint venture is doing business is made aware of any limitations, all parties to a joint venture are liable to such third parties whether or not the liability is specified in the joint venture agreement.

Employer Identification Number (EIN)

Every employer maintaining an office or transacting any business in Missouri and making payment of wages to a resident or nonresident individual must obtain an Employer Tax Identification Number, which is required by federal law if you are an employer, partnership, limited liability company, or corporation. Some entities, such as financial institutions, also require a business to have an identification number. The application form (SS-4) is available from the Internal Revenue Service (IRS).

Motor Vehicle Licensing, Registration

Missouri law defines a commercial motor vehicle as a motor vehicle designed or regularly used for carrying freight and merchandise, or more than eight passengers. Vanpools (used to transport employees to and from work) and shuttle buses (used to transport customers to and from your place of business) are not included in this definition and may be registered as “regular” motor vehicles.

Under this definition, all trucks are commercial vehicles in Missouri because they are designed to carry freight.

A commercial motor vehicle whose operations are confined solely to a 25-mile area around a single municipality is defined as a “local commercial vehicle.” These definitions are used to determine registration fees for the various types of vehicles.

Unless your commercial vehicle is licensed for less than 12,000 lbs., and is not regularly used for commercial purposes, you must display the following information on your vehicle or vehicles:

1. The name of the owner
2. The address from which you operate the vehicle, or the number issued to the carrier by the Missouri Division of Transportation
3. If it is a local vehicle, the word “LOCAL.”

You do not need to have your vehicle inspected if:

- Your commercial vehicle is used for interstate commerce and is registered with the Missouri Highway Reciprocity Commission.
- The vehicle was originally issued a registration for less than one year.
- You are registering a vehicle that has not been in Missouri in the past 60 days.
- You have a registration receipt showing that the license plate being renewed was properly transferred within the past six months.

You will need a statement saying that the vehicle has not been in Missouri and that you will have the vehicle inspected within 10 days of bringing it to Missouri. When driving your commercial vehicle, you must abide by Missouri law concerning license plates, license plate lights, load projections from the vehicle, towlines, and slow moving vehicle signs. These laws are found in Chapter 301 of the Revised Statutes of Missouri.

You can find a brief summary of these and other motor vehicle and driving laws in the MISSOURI DRIVER GUIDE, published by the Missouri Department of Revenue. For a copy, please write to the Drivers License Bureau, P.O. Box 200, Jefferson City, MO 65105, and request a copy of the Missouri Driver Guide.

Commercial Drivers Licensing

Missouri drivers who transport people or property for hire must carry a Class A, B, C or E driver's license. The class you and your drivers require depends on the class of vehicle you intend to use commercially.

If you are hiring drivers who will be driving class A, B or C vehicles, you should obtain a Commercial Drivers Licensing manual from the Missouri State Highway Patrol or the Missouri Drivers License Bureau.

For more information on the advantages of doing business in Missouri, please contact our office at:

*Missouri Department of Economic Development
Business Development and Trade
301 West High Street, Room 720
P.O. Box 118
Jefferson City, Missouri 65102-0118 USA*

Phone: 1-866-647-3633

Fax: (573) 751-7384

Email: missouridevelopment@ded.mo.gov

Web: www.missouridevelopment.org

